

**Testimony Presented to the Senate Education Committee
Financially Distressed School Districts
Presented by
Pennsylvania School Boards Association
January 24, 2012**

On behalf of the Pennsylvania School Boards Association (PSBA), we would like to provide comments and our insight on Pennsylvania's financially distressed school districts. Because students attending these schools are often the ones that have the greatest need, we should focus on ensuring that they have *all* the tools to ensure a quality education, including programs, such as tutoring and afterschool activities, that offer alternatives to out-of-school environments. In some cases, these schools offer the safest retreat for students who live and play in impoverished and high-crime areas. It is imperative that these schools continue to offer warm meals, safe classrooms, and a quality education to these vulnerable children.

While Pennsylvania's schools work to meet federal and state academic performance goals and ensure that our students remain strong competitors in national and global marketplace, they also face a struggling economy, reduced property values, and a shortfall of state education funding. In December of 2011, the six school districts hardest hit by the 2010-11 budget also faced unemployment rates that mirrored the state average and poverty rates that far exceeded the national average. With these crippling economic conditions, it is vital that these schools are provided the tools to deliver a quality public education to all of its students.

For the 2010-11 budget year, funding for public education was cut by a total of more than \$850 million. While this cut caused some school districts to make serious alterations to curriculum, programming, and staffing, other districts that already met or were nearing "financial distress" status were disproportionately affected. For instance, with its history of financial difficulty, the Chester

Upland School District received over \$8 million less in the 2010-11 budget than in the previous year.

Out of Pennsylvania's 500 school districts, only five (5) received state funding cuts exceeding that of Chester Upland: Philadelphia SD, Pittsburgh SD, Reading SD, Allentown SD, and York SD.

Incidentally, all five communities have enrolled in either Act 47 assistance or the Department of Community & Economic Development (DCED)'s Early Intervention Program (EIP) to avoid distressed status. These schools offer an opportunity to students in struggling communities; for instance, more than 70% of students in Chester Upland are eligible for free or reduced lunch. Not only have these cuts perpetuated a system of poverty within the community, but they have endangered the future for thousands of students.

In addition to the broad cuts to state funding that have crippled efforts to provide a quality education in financially distressed districts, these schools are also often disproportionately affected by efforts to "rescue" a small number of students rather than the entire student body. In the case of Chester Upland School District, there is a strong campaign to recruit students to two large charter schools that serve the area. In fact, these schools have been so successful in their recruitment efforts that 45% of the population within the district now attends a charter school. Unfortunately, the 2010-11 state budget eliminated the Charter School Reimbursement (CSR) funding, which stripped Chester Upland of more than \$11 million in anticipated funding. This number is even paled by the total amount paid to charter schools by the district - \$43 million - which represents 45% of the entire district's budget. While the district continues to struggle to provide even a basic education on its starved budget, only one of the charter schools met Adequate Yearly Progress (AYP) goals last year, while the other remains under investigation for testing irregularities. This unrestrained funding formula negatively affects school districts and rewards charter and cyber charter schools without any academic performance requirement. Not all of the problems surrounding financial distress in schools are because of reduced state funding, however. Difficulties in management and staffing, as well as on-again-off-again state control, play a

large role in the inability to establish stability. Chester Upland in particular is a victim of cyclical management and staffing issues. As a result of budget cuts, the district laid off 40% of its staff, including the assistant acting superintendent. It is imperative that Chester Upland or any distressed district has the ability to assemble and maintain a management team to appropriately and consistently address the financial and operational concerns of the students and schools in their local communities. To truly assist financially distressed districts, the Department of Education (PDE) must recognize and respect the local authority of public education in Pennsylvania and provide the necessary tools to help local elected officials succeed, rather than assume control. In any situation where the Commonwealth directly intervenes to aid local elected officials, it is imperative that a clearly defined exit strategy is in place to return complete control to those officials.

We would like to thank you your efforts and your willingness to carefully consider these issues. PSBA recognizes the financial challenges that many school districts throughout the Commonwealth are currently facing and we are concerned that these obstacles will only worsen with further cuts to the state subsidy of public education and no serious commitment to addressing the inaccurate and costly funding formula for charter and cyber charter schools. PSBA has provided services to the Chester Upland School District, including training and resources for new board members, in an effort to resolve some of these issues while preserving the authority of local elected officials. We continue to remain supportive of the Chester Upland School Board of Directors and other school boards, particularly in those areas of financial distress, where assistance is in dire need. While these areas have been highly publicized recently, we would urge you to use this opportunity to ensure that the needs of every student in distressed areas is addressed. We thank you for your time and consideration of this crucial issue.